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*Summaries of Monthly Reports on Communist Aid
and Trade Activities in Less Developed Countries, 1974*

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Foreword

This publication summarizes articles appearing in 1974 in the monthly publication Communist Aid and Trade Activities in Less Developed Countries. These articles were prepared by the Office of Economic Research, CIA, and are coordinated with the Bureau of Intelligence and Research, Department of State; the Defense Intelligence Agency; and the Agency for International Development.

The term less developed countries in the Free World includes the following: (1) all countries in Africa except the Republic of South Africa, (2) Portugal and Spain in Europe, (3) all countries in the Far East except Japan, (4) all countries in Latin America except Cuba, and (5) all countries in the Near East and in South Asia.

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SUMMARIES OF MONTHLY REPORTS

1974

I. GENERAL

A. Economic Aid and Technical Assistance

1. Quarterly Report on Communist-LDC Oil Activities (January-March 1974)

The USSR and the East European nations continued during the first quarter of 1974 to seek increased deliveries of oil from Middle East suppliers. Planned purchases from these nations may be scaled down, however, because of recent price hikes and increasing producer demands for cash payment rather than barter terms. Nevertheless, Communist countries continued to expand their already substantial commitments to develop national oil companies in LDCs. (No. 417, Apr 74, p. 3, S/NFD)

2. Summary of EIC R14-S28, Aid and Trade Activities of Communist Countries in Less Developed Areas of the Free World, 1973. (No. 417, Apr 74, p. 1, S/NFD)

3. New Soviet Initiatives in Fisheries Aid. Roundup on fisheries agreements concluded in 1973. (No. 418, May 74, p. 2, S/NFD)

4. Second Quarterly Report on Communist-LDC Oil Activities (April-June 1975)

Communist nations' oil development and procurement activities in the LDCs were limited during the second quarter of 1974. (No. 420, Jul 74, p. 5, S/NFD)

5. Supplement to EIC R14-S28, 1 January-30 June 1974. (No. 420, Jul 74, p. 1, S/NFD)
6. Third Quarterly Report on Communist-LDC Petroleum Activities (July-Sep 1974)

Soviet and East European activities related to oil developments continued during the third quarter with major economic aid recipients such as Iraq, India, and Afghanistan, while support to Nigeria, Syria, and Bangladesh accelerated. Total Communist oil procurement from Middle Eastern and North African suppliers continued at a lower level than in 1973. (ER RP 74-21, Oct 74, p. 1, S/NFD)

7. Communist-LDC Oil Activities During 1974

During 1974, Communist petroleum development activity in LDCs emphasized utilization of credits already provided to 27 countries. Oil procurement activity, however, declined from 1973 levels. While East European petroleum imports from LDCs remained about the same as last year, Soviet purchases declined by about 50%. China entered the LDC petroleum market for the first time in recent years with purchases of 14,000 barrels per day from Iraq and Algeria. (ER RP 75-3, Jan 75, p. 1, S/NFD)

B. Military Aid

1. Soviet deliveries of 550 military aircraft worth more than US \$550 million to LDCs in 1973 were nearly double the number provided in 1971 and 1972. (No. 416, Mar 74, p. 1, S/NFD)

2. Czechoslovakia delivered [REDACTED] tanks to Egypt and Syria in late March. (No. 418, May 74, p. 5, S/NFD)

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C. Trade Development

1. Moscow is facing petroleum price hikes from Iraq, Libya, and Syria. Iraq is quoting the same prices for oil now being asked of Western customers. (No. 415, Feb 74, p. 2, S/NFD)

2. Although during Ceausescu's stop in Tripoli an agreement was signed to purchase Libyan oil, the Romanian President's visit to several other Arab countries will produce few immediate economic results. (No. 416, Mar 74, p. 4, C)

3. Moscow's four Western-based banks, initially established to facilitate East-West trade, have become an expanding source of commercial finance for less developed countries. In contrast to earlier practices, more credits are being extended with longer repayment periods, particularly through consortia activities. (No. 418, May 74, p. 1, S/NFD)

4. The USSR agreed in August to an 85% price increase for the natural gas it imports from Iran. Moscow reached a similar agreement with Afghanistan in July. The Soviet import bill for natural gas imports is expected to double in 1974. (No. 422, Sep 74, p. 3, C)

II. COUNTRIES

AFGHANISTAN

A. Economic Aid and Technical Assistance

1. Afghanistan's Minister of Commerce will travel to Moscow to sign trade and other economic agreements negotiated in February. (No. 416, Mar 74, p. 4, C)

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B. Military Aid

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1. Soviet military deliveries, which accelerated after the July 1973 coup, totaled [REDACTED] in 1973, more than double the 1971-72 annual average. (No. 415, Feb 74, p. 3, S/NFD)

2. The USSR may have introduced the ZSU-23-4 antiaircraft gun into Afghanistan, while continuing to deliver tanks and MIG-17 aircraft. (No. 417, Apr 74, p. 11, S/NFD)

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3. Soviet arms deliveries to Afghanistan have continued at the accelerated pace of 1973, when deliveries reached an all-time high. (No. 418, May 74, p. 5, S/NFD)

4.

[REDACTED] medium tanks arrived in Kabul in mid-September. (ER RP 74-21, Oct 74, p. 4, S/NFD)

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5. The USSR delivered [REDACTED] tanks to Afghanistan during October, while China began shipments to Pakistan [REDACTED]

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[REDACTED] (ER RP 74-24, Nov 74, p. 3, S/NFD)

6. Soviet military deliveries to Afghanistan during November included BTR-152 armored personnel carriers and trucks. (ER RP 74-25, Dec 74, p. 3, S/NFD)

ALGERIA

A. Economic Aid and Technical Assistance

1. Soviet Defense Minister Grechko and the Chairman of the State Committee for Foreign Economic Relations traveled to Algiers during May to discuss the status of Soviet military and economic aid programs in Algeria. (No. 419, Jun 74, p. 1, S/NFD)

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2. Algeria and Bulgaria signed agreements during July that call for trade turnover to reach \$200 million annually in 1977 and for Bulgarian assistance to various sectors of the Algerian economy. (No. 422, Sep 74, p. 1, U)

B. Military Aid

1. See 1, above.

2. Moscow apparently has resumed deliveries of fighter aircraft to Algeria after an interruption of almost three years. (No. 421, Aug 74, p. 1, S/NFD)

C. Trade Development

1. China has contracted for 500,000 barrels of Iraqi oil -- its first purchase of crude oil from an LDC in recent years -- and is negotiating the delivery of 1.5 million barrels from Algeria. (No. 418, May 74, p. 4, S/NFD)

ARGENTINA

A. Economic Aid and Technical Assistance

1. A Soviet delegation which arrived in Buenos Aires on 30 January probably will discuss Soviet participation in the Salto Grande dam project. A Soviet bid to supply equipment for \$65 million was \$30 million less than the lowest Western offer. (No. 415, Feb 74, p. 2, C)

2. During February, the USSR, Czechoslovakia, Poland, and Romania negotiated agreements designed to expand exports to reduce their annual trade deficit with Argentina. (No. 416, Mar 74, p. 3, C)

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3. Argentina received a \$100 million aid commitment from Romania in March and has signed economic cooperation agreements with the USSR, Hungary, and Czechoslovakia since the beginning of 1974. (No. 417, Apr 74, p. 9, C)

4. Argentina concluded economic agreements valued at a minimum of \$225 million with the USSR, Poland, and Hungary during May. (No. 419, Jun 74, p. 3, OFF USE)

5. A Soviet trade mission was scheduled to arrive in Argentina early in August to negotiate the sale of three YAK-40 jet aircraft to a small domestic airline. (No. 421, Aug 74, p. 3, S/NFD)

6. In July, Soviet and Argentine experts drafted an agreement on Soviet assistance for development of Argentina's fishing industry. (No. 421, Aug 74, p. 4, U)

7. The USSR signed trade contracts with Argentina valued at almost \$200 million and is studying participation in several development projects. (ER RP 74-24, Nov 74, p. 2, S/NFD)

8. Argentina has agreed to Soviet participation in a \$1 billion power project on the Parana and Paraguay rivers. (ER RP 74-25, Dec 74, U)

9. Czechoslovakia signed a contract to deliver generators valued at \$9 million to the Rio Turbio powerplant. (ER RP 75-3, Jan 75, p. 9, U)

C. Trade Development

1. Cuba has received its first equipment under \$1.2 billion in Argentine suppliers credits offered for use through 1978. (No. 419, Jun 74, p. 3, OFF USE)

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2. During a November tour, Czechoslovakia's Foreign Trade Minister signed agreements with Argentina, Costa Rica, and Mexico. (ER RP 74-25, Dec 74, p. 1, OFF USE)

BAHRAIN

C. Trade Development

1. Bahrain concluded its first direct governmental agreement with a Communist country with a contract to export aluminum to China. (No. 419, Jun 74, p. 4, S/NFD)

BANGLADESH

A. Economic Aid and Technical Assistance

1. Bangladesh sought Soviet assistance for rural electrification, irrigation, and transportation during economic discussions held in Dacca in mid-April. (No. 418, May 74, p. 6, C)

2. The USSR and several East European countries have promised relief assistance to Bangladesh, while the USSR and Romania agreed to construct several projects during Dacca's current five-year plan. (ER RP 74-21, Oct 74, p. 4, U)

3. The USSR has agreed to provide \$27.6 million of credits in hard currency and commodities to Bangladesh as balance-of-payments support. (ER RP 74-24, Nov 74, P. 4, OFF USE)

4. East Germany provided its first development assistance to Bangladesh under a \$25 million agreement signed in December. (ER RP 75-3, Jan 75, p. 9, C)

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B. Military Aid

1. A large percentage of the MIG-21s provided by the USSR last year reportedly are grounded because of structural defects. (No. 418, May 74, p. 6, S/NFD)

C. Trade Development

1. Two trade agreements concluded in December call for Soviet-Bangladesh trade to triple in 1974. (No. 415, Feb 74, p. 4, C)

BRAZIL

A. Economic Aid and Technical Assistance

1. High-level Soviet-Brazilian trade discussions planned for November will deal with renegotiation of a 1969 credit agreement and increased Soviet purchases of Brazilian manufactures. (ER RP 7424, Nov 74, p. 3, S/NFD)

C. Trade Development

1. Brazil's state-owned petroleum company signed a \$42.5 million contract with the USSR to purchase 3.7 million barrels of Soviet crude oil during August-December. (No. 421, Aug 74, p. 4, OFF USE)

2. Brazil announced the establishment of diplomatic relations with Peking on 15 August. The two countries also signed a declaration of intent to conclude trade and maritime agreements. (No. 422, Sep 74, p. 2, OFF USE)

3. Brazil signed commodity agreements with China, Poland, Romania, and the USSR during November. (ER RP 74-25, Dec 74, p. 2, OFF USE)

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CENTRAL AFRICAN REPUBLIC

B. Military Aid

1. The USSR made its first known delivery of arms, including GAZ-66 trucks, to the CAR in late October. (ER RP 74-25, Dec 74, p. 1, S/NFD)

COLOMBIA

A. Economic Aid and Technical Assistance

1. Following almost a year of negotiations, Colombia and Romania signed an economic and technical agreement calling for Romanian assistance for mineral industry development. (ER RP 74-25, Dec 74, p. 3, U)

EGYPT

A. Economic Aid and Technical Assistance

1. Poland offered assistance to Egypt for rehabilitation of the Suez Canal as part of a general proposal to participate in a number of major development projects. (No. 415, Feb 74, p. 4, U)
2. Few details on the status of Soviet aid relations were revealed in communiques issued during the visit of the Soviet Foreign Minister to Cairo and Damascus. No mention was made of Soviet-Egyptian bilateral economic and military matters, while Syria received only general assurances of mutually advantageous military cooperation. (No. 417, Apr 74, p. 11, S/NFD)

3. The USSR is continuing economic programs in Egypt in spite of frictions in their military aid relationship. The USSR has agreed to undertake clearing operations in the Gulf of Suez as a grant and has signed an agreement on further implementation of projects associated with the Aswan High Dam. (No. 419, Jun 74, p. 4, S/NFD)

4. The USSR and Egypt signed a \$160 million economic agreement during the mid-July visit to Moscow of Egypt's Minister for Industry. (No. 421, Jun 74, p. 4, C)

5. The Egyptian press has reported Soviet agreement in principle to participate in several economic projects, as well as an offer to aid the new development plan (1976-80), but the nature of military talks has not been revealed. (ER RP 74-24, Nov 74, p. 4, S/NFD)

6. On 10 November, Soviet minesweepers completed clearance of the Strait of Gubal under a grant estimated at \$20 million. (ER RP 74-25, Dec 74, p. 4, S/NFD)

7. Western press sources reported on 30 December that the planned January trip of Soviet Party First Secretary Brezhnev to Egypt has been postponed. Economic negotiations that had preceded the scheduled visit had gone smoothly, and several agreements had been prepared for Brezhnev's signature. (ER RP 75-3, Jan 75, p. 9, S/NFD)

B. Military Aid

1. See General, B, 2.

2. In his speech on 18 April, President Sadat claimed that he already has implemented a decision to diversify Egypt's sources of arms. (No. 418, May 74, p. 7, S/NFD)

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3. The hiatus in Soviet seaborne military deliveries to Egypt entered its eighth week on 1 June. (No. 419, Jun 74, p. 4, S/NFD)

4. The USSR has resumed arms deliveries to Egypt after a four-month interruption. (ER RP 74-21, Oct 74, p. 8, S/NFD)

5. See 5, above.

C. Trade Development

1. Four East European countries signed trade protocols with Egypt during February. The amount of Egyptian oil to be exported to Eastern Europe during 1974 was not specified, probably because Cairo is unsure of how much will be available for export. (No. 416, Mar 74, p. 5, C)

EL SALVADOR

C. Trade Development

1. A Salvadoran trade delegation signed the country's first trade agreements with the USSR and several East European countries during a tour in December. (No. 415, Feb 74, p. 2, S/NFD)

GABON

A. Economic Aid and Technical Assistance

1. Gabon signed its first trade and cooperation agreements with China in October. (ER RP 74-24, Nov 74, p. 1, C)

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GUINEA

A. Economic Aid and Technical Assistance

1. Romania extended its first economic aid to Guinea on 11 March - a credit of US \$80 million for bauxite development. (No. 417, Apr 74, p. 5, OFF USE)

2. Guinea and Romania agreed to form a joint company to undertake an integrated bauxite processing operation near Lake Boke. (ER RP 74-24, Nov 74, p. 1, C)

B. Military Aid

1. Soviet military technicians are installing a vehicle-mounted coastal defense radar system on Tamara Island, off the Guinean coast, and are scheduled to build a barracks and docking facility on the island starting in March. (No. 415, Feb 74, p. 1, S/NFD)

2. Guinea continues to criticize Chinese technical services and training support for [REDACTED] Shanghai-class motor gunboats delivered in 1973. (ER RP 75-3, Jan 75, p. 7, (S/NFD)

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INDIA

A. Economic Aid and Technical Assistance

1. The USSR recently signed agreements to build a 120,000 barrel per day (b/d) refinery in India and to supply equipment and technical services for a two-year oil and gas survey. (No. 415, Feb 74, p. 5, S)

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2. The USSR apparently was not responsive to Indian requests for diversion of project aid to nonproject uses, increased commodity shipments, and debt relief during the September session of their joint economic commission. (ER RP 74-21, Oct 74, p. 5, S/NFD)

B. Military Aid

1. The Indian Air Force continues to encounter serious problems in obtaining spare parts and overhaul services for its Soviet-supplied MIG-21 fighter aircraft. (No. 417, Apr 74, p. 12, S/NFD) 25X1B

2. India may have received [REDACTED] MIG-21 MF jet fighters to test for possible production at Hindustan Aeronautics. (No. 418, May 74, p. 7, S/NFD)

3. New arms accords covering additional ground forces equipment and possible aircraft may have been signed during Indian Minister of Defense Ram's visit to Prague in July. (No. 421, Aug 74, p. 5, C) 25X1B

4. India may have decided to purchase [REDACTED] MIG-23 jet aircraft from the USSR, in spite of the air force's preference for the British Jaguar. (ER RP 74-25, Dec 74, p. 4, S/NFD)

5. Under an agreement signed during the Czech Prime Minister's visit to India in December, Prague will provide T-55 tanks, OT-62 armored personnel carriers (APCs), truck-launched assault bridging, and L-39 trainer/light attack aircraft. (ER RP 75-3, Jan 75, p. 10, S/NFD)

C. Trade Development

1. Soviet-Indian trade turnover is to rise to almost \$780 million in 1974, under the terms of the annual trade protocol signed in January. (No. 415, Feb 74, p. 6, OFF USE)

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INDONESIA

A. Economic Aid and Technical Assistance

1. According to the Indonesian press, Indonesia and the USSR will begin negotiations in Moscow in May on an economic cooperation agreement. The announcement followed the conclusion on 23 March of a one-year trade agreement, marking the end of an eight-year freeze in official economic relations between the two countries. (No. 417, Apr 74, p. 8, S/NFD)

2. In December, Indonesia's Foreign Minister traveled to the USSR, East Germany, and Hungary to discuss economic assistance for Indonesia's new five-year plan. (ER RP 75-3, Jan 75, p. 7, OFF USE)

IRAN

A. Economic Aid and Technical Assistance

1. During March, Hungary agreed to extend \$25 million to Syria for equipment purchases and negotiated projects to be financed in Iran under \$45 million of outstanding credits. (No. 417, p. 10, Apr 74, S)

2. Iran held discussions on trade and economic relations with Czechoslovakia, Hungary, and Poland during May. (No. 419, Jun 74, p. 5, OFF USE)

3. After more than a month of delay, Soviet-Iranian negotiations on the price Moscow pays for Iranian natural gas resumed on 6 August. (No. 421, Aug 74, p. 5, C)

4. See General, C, 2.

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5. In mid-November, Iran agreed in principle to provide industrial credits to Poland and Bulgaria, and Romania has a request pending for aid. (ER RP 74-25, Dec 74, p. 5, S/NFD)

6. The USSR agreed in principle to participate in new long-range economic projects during the Shah's visit to Moscow in November. (ER RP 74-24, Dec 74, p. 5, C)

B. Military Aid

1. [REDACTED] Iranian-Soviet military agreement was reported to be in the final stages of negotiations in late April. (No. 419, Jun 74, p. 6, C)

C. Trade Development

1. See A, 2, above.

2. Iran and Romania signed a seven-year trade agreement valued at \$1.5 billion to exchange, among other items, Iranian industrial products for Romanian agricultural goods. (ER RP 75-3, Jan 75, p. 3, S/NFD)

IRAQ

A. Economic Aid and Technical Assistance

1. The USSR has recommended that Iraq undertake a comprehensive study of all aspects of the economy after a preliminary study uncovered widespread incompetence among Iraqi officials as well as serious shortcomings in Iraq's methods of compiling economic statistics. (No. 415, Feb 74, p. 6, S/NFD)

2. On 7 April, Baghdad celebrated the completion of the Soviet-assisted second stage development of the North Rumayla oilfield and the Czech-built Basra oil refinery. (No. 418, May 74, p. 7, S/NFD)

3. Moscow and Baghdad signed a protocol to establish a joint fishing company based in Basra, capitalized at \$34 million. (No. 419, Jun 74, p. 7, C)

4. The East German Premier signed agreements with Iraq and Syria during November to accelerate the drawdown of East German credits. (ER RP 74-25, Dec 74, p. 4, S/NFD)

B. Military Aid

1. Iraq received its first aircraft from the USSR in 1974 at the end of January, [REDACTED]

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[REDACTED] (No. 415, Feb 74, p. 7, S/NFD)

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2. Baghdad purchased some [REDACTED] helicopters from the USSR early in 1974, according to recent reports, and will receive vehicles [REDACTED] under two recent contracts. (No. 419, Jun 74, p. 6, S/NFD)

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3. During the last three months, Iraq has purchased some \$70 million worth of military equipment from East European suppliers. (No. 421, Aug 74, p. 5, S/NFD)

4. The first Soviet deliveries of MIG-23 Floggers to Iraq appear under way. Iraq is the second country to receive these planes from the USSR. (No. 421, Aug 74, p. 6, S/NFD)

5. The USSR has stepped up deliveries of MIG-23 jet fighters and MI-8 helicopters to Iraq. (ER RP 74-24, Nov 74, p. 5, S/NFD)

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C. Trade Development

1. China has contracted for 500,000 barrels of Iraqi oil -- its first purchase of crude oil from an LDC in recent years -- and is negotiating the delivery of 1.5 million barrels from Algeria. (No. 418, May 74, p. 4, S/NFD)

JAMAICA

A. Economic Aid and Technical Assistance

1. Under an economic and technical assistance agreement signed in February, Peking will provide credits to Jamaica for the purchase of complete plants and equipment. No. 416, Mar 74, p. 4, OFF USE)

KUWAIT

A. Economic Aid and Technical Assistance

1. A Soviet petroleum industry official held discussions with the Kuwaiti Minister of Finance and Oil during April. (No. 418, May 74, p. 8, OFF USE)

2. Kuwait has rejected a \$170 million Soviet-Yugoslav bid to build four thermal powerplants, in favor of French and Japanese companies. (No. 419, Jun 74, p. 7, OFF USE)

3. The Kuwait International Investment Company issued \$40 million worth of bonds to Kuwaiti subscribers on behalf of Hungary, and Libya has mentioned provision of credits to develop the Hungarian food processing industry. (ER RP 75-3, Jan 75, p. 9, OFF USE)

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LAOS

A. Economic Aid and Technical Assistance

1. Peking has offered an interest-free \$25 million credit to Laos, repayable over 10 years after 15 years' grace. (ER RP 74-24, Nov 74, p. 2, S/NFD)

LEBANON

A. Economic Aid and Technical Assistance

1. Romania recently signed a \$9 million contract to provide equipment for a cement plant near Beirut. (ER RP 74-25, Dec 74, p. 6, C)

LIBYA

A. Economic Aid and Technical Assistance

1. Libyan agreements to deliver petroleum to Eastern Europe in 1974 could bring Libyan direct oil exports to 140,000 b/d, twice the amount shipped last year. (No. 416, Mar 74, p. 2, S/NFD)

2. The Libyan Prime Minister held intensive discussions on military and economic matters during an extended visit to Moscow in May. The USSR probably agreed to provide additional ground forces equipment to Libya, including surface-to-air missiles. The two sides also signed a trade agreement and announced the establishment of a joint committee to coordinate economic, oil, and trade matters. (No. 419, Jun p. 2, S/NFD)

3. The first session of the Libyan-Soviet intergovernmental economic committee, set up during Prime Minister Jalud's May visit to Moscow, met in Tripoli from 15 to 20 July. (No. 421, Aug 74, p. 1, S/NFD)

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B. Military Aid

1. Eleven Libyan air defense officers currently are training in the USSR, an indication that Libya may receive Soviet surface-to-air missile equipment to replace Egyptian equipment withdrawn last year. (No. 418, May 74, p. 3, S/NFD)

2. See 2, above.

3. Committees of Libyan military officers reportedly have been formed to select military equipment to be purchased under a Soviet-Libyan military agreement. (No. 422, Sep 74, p. 1, S/NFD)

MALAYSIA

A. Economic Aid and Technical Assistance

1. Malaysia reportedly has given preliminary approval to a Soviet proposal to establish a joint shipping company in Malaysia to facilitate direct rubber imports. (No. 421, Aug 74, p. 3, S/NFD)

C. Trade Development

1. The USSR has approached Malaysian businessmen to act as sales agents for Soviet equipment because of dissatisfaction with the inefficiency of the Malaysian state trading agency, Pernas. (No. 418, May 74, p. 4, S/NFD)

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MAURITANIA

A. Economic Aid and Technical Assistance

1. Mauritania and Romania concluded a general economic agreement and a \$10 million credit agreement in June. Romania is the first East European country to provide assistance to Mauritania. (No. 422, Sep 74, p. 1, S/NFD)

2. China agreed to construct a deep water port and assist in the completion of a 600-mile road during the September visit of the Mauritanian President to Peking. (ER RP 74-21, Oct 74, p. 2, OFF USE)

MOROCCO

A. Economic Aid and Technical Assistance

1. Morocco and the USSR signed a new five-year trade agreement and an economic development protocol during March. (No. 417, Apr 74, p. 6, S/NFD)

NIGERIA

A. Economic Aid and Technical Assistance

1. The USSR agreed in principle to more Soviet assistance for geological exploration, petroleum industry development, agriculture, and education during Nigerian President Gowon's recent visit to Moscow. No details were revealed on military negotiations. (No. 419, Jun 74, p. 2, S/NFD)

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C. Trade Development

1. According to the East German Minister of Foreign Trade, Nigeria may exchange crude oil and agricultural products for East German machinery and equipment. (ER RP 74-24, Nov 74, p. 1, C)

NORTH YEMEN

B. Military Aid

1. Moscow is sending limited quantities of military equipment to San'a, its first in three years. (No. 417, Apr 74, p. 12, S/NFD)

PAKISTAN

A. Economic Aid and Technical Assistance

1. Pakistan and the USSR signed a 1974 barter trade protocol calling for a 40% increase over exchanges in 1973 and Pakistan was considering a Soviet offer of assistance for petroleum exploration. (No. 416, Mar 74, p. 6, S)

2. Poland will construct four small projects in Pakistan, its first development activity in the country since 1970. (ER RP 74-21, Oct 74, p. 6, 74, U)

3. The USSR may have extended up to \$307 million in new aid to Pakistan for the Karachi steel mill. (ER RP 74-24, Nov 74, p. 5, C)

B. Military Aid

1. A Chinese military delegation composed of senior representatives of all three services and led by the Deputy Chief of Staff arrived

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in Pakistan in mid-January. The composition of the group suggests a full-scale discussion of Islamabad's military requirements. (No. 415, Feb 74, p. 6, S/NFD)

2. A Chinese delegation to Pakistan in January reportedly promised to supply tanks, motor gunboats, hydrofoil motor torpedo boats, MIG-19 jet fighters, and surface-to-air missiles. (No. 416, Mar 74, p. 6, S/NFD)

3. Moscow continues to show interest in selling nonlethal military equipment to Pakistan. In May, negotiations for [REDACTED] MI-8 helicopters appeared to be nearing conclusion. (No. 419, Jun 74, p. 7, S/NFD)

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PERU

A. Economic Aid and Technical Assistance

1. Peru signed its first joint venture agreements with Czechoslovakia and Hungary to set up two plants at a total cost of almost \$20 million. (No. 418, May 74, p. 4, OFF USE)

PHILIPPINES

A. Economic Aid and Technical Assistance

1. Philippine officials have entered further discussions on a Soviet offer to provide reduced rates on regular and charter shipping services in return for the establishment of Soviet merchant ship bunkering facilities near Manila. In addition, the Philippine Department of Foreign Affairs recommended acceptance of a draft Soviet trade agreement. (No. 417, Apr 74, p. 9, S/NFD)

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C. Trade Development

1. China has agreed in principle to supply sizable quantities of petroleum to the Philippines and will continue to purchase timber, agricultural products, and copper. (ER RP 74-21, Oct 74, p. 2, S/NFD)

PORTUGAL

A. Economic Aid and Technical Assistance

1. Negotiations on the first trade and economic assistance agreements between Portugal and the USSR reportedly were initiated by a Portuguese delegation to Moscow. (ER RP 74-25, Dec 74, p. 1, C)

SOMALIA

A. Economic Aid and Technical Assistance

1. Soviet President Podgorny concluded an agreement to provide \$4 million in commodity aid to reduce the burden on Somalia of higher petroleum prices. (No. 421, Aug 74, p. 1, C)

B. Military Aid

25X1B 1. The USSR is preparing to send some helicopters, probably MI-8s, to Somalia to supplement [REDACTED] Soviet MI-4s delivered in 1972. (No. 421, Aug 74, p. 2, S/NFD)

SOUTH YEMEN

A. Economic Aid and Technical Assistance

1. The USSR agreed to furnish \$40 million in economic credits to South Yemen during Secretary General Ismail's visit in July. Moscow also

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began delivery of the SA-3 missile system

(No. 422, Sep 74, p. 4, S/NFD)

2. China and South Yemen signed an economic agreement in November, probably to speed implementation of projects under existing agreements. (ER RP 74-25, Dec 74, p. 6, S/NFD)

B. Military Aid

25X1B

1. The USSR completed delivery of MIG-21s to Aden on 22 January, (No. 417, Apr 74, p. 12, S/NFD)

25X1B

2. The USSR apparently promised South Yemen additional military aid during party leader Ismail's visit to the USSR. (No. 421, Aug 1974, p. 6, S/NFD)

3. See A, 1, above.

SPAIN

C. Trade Development

1. Spain signed a three-year trade agreement with Cuba that provides government guarantees for \$900 million in private export credits to Cuba for purchase of Spanish ships and industrial plants. (ER RP 75-3, Jan 75, p. 8, OFF USE)

SECRET

SECRET

SRI LANKA

A. Economic Aid and Technical Assistance

1. A Soviet team is conducting surveys in Sri Lanka for a multipurpose dam project in the southern part of the island. (No. 422, Sep 74, p. 4, OFF USE)

B. Military Aid

1. The USSR agreed to provide Colombo with a naval training vessel

[REDACTED] (ER RP 74-25, Dec 74, p. 6, S)

25X1B

SUDAN

A. Economic Aid and Technical Assistance

1. Soviet-Sudanese economic negotiations were suspended at the end of January because of differences over financial arrangements for Soviet technicians working in Sudan. (No. 415, Feb 74, p. 1, C/NFD)

B. Military Aid

1. A delegation was in Bucharest during July to discuss the possibility of obtaining Sudan's first military aid from Romania. (No. 421, Aug 74, p. 2, U)

SECRET

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SYRIA

A. Economic Aid and Technical Assistance

1. During March, Hungary agreed to extend \$25 million to Syria for equipment purchases and negotiated projects to be financed in Iran under \$45 million of outstanding credits. (No. 417, p. 10, S)

2. Few details on the status of Soviet aid relations were revealed in communiques issued during the visit of the Soviet Foreign Minister to Cairo and Damascus. No mention was made of Soviet-Egyptian bilateral economic and military matters, while Syria received only general assurances of mutually advantageous military cooperation. (No. 417, Apr 74, p. 11, S/NFD)

3. President Asad's April visit to Moscow was highlighted by a Soviet agreement to defer repayment on possibly \$1 billion in Syrian debt. The two sides probably also reached agreement on continued Soviet military and economic deliveries to Syria. (No. 418, May 74, p. 8, S/NFD)

4. Czechoslovakia offered \$100 million worth of new economic aid to Syria to finance construction of several industrial projects, as well as for purchases of industrial equipment. (No. 421, p. 7, S)

5. Syria and Romania signed several accords in September calling for increased Romanian participation in Syria's petroleum industry and the construction of eight new industrial projects. (ER RP 74-21, Oct 74, p. 6, C)

6. The USSR has agreed to double the berthing capacity and expand cargo handling facilities at the Syrian port of Latakia. (ER RP 74-21, Oct 74, p. 1, S/NFD)

~~SECRET~~

SECRET

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SECRET

7. The East German Premier signed agreements with Iraq and Syria during November to accelerate the drawdown of East German credits. (ER RP 74-25, Dec 74, p. 4, S/NFD)

8. On 9 December, Bulgaria signed a \$73 million agreement to finance development projects in Syria. (ER RP 75-3, Jan 75, p. 11, OFF USE)

B. Military Aid

1. See General, C, 2.

25X1B

3. Accelerated Soviet support to the Syrian Air Force continued in July [REDACTED] (No. 421, Aug 74, p. 7, S/NFD)

25X1B

TANZANIA

A. Economic Aid and Technical Assistance

1. Peking extended an additional \$125 million in interest-free development aid to Tanzania and Zambia during March. The \$75 million credit to Tanzania will be used for coal and iron ore development and construction of a railroad, while part of the \$50 million commitment to Zambia will finance road construction. (No. 417, Apr 74, P. 7, S)

SECRET

THAILAND

A. Economic Aid and Technical Assistance

1. A Thai firm has entered into a joint venture with the Soviet-Singapore Shipping company. This is the first instance of Soviet participation in a business venture in Thailand. (No. 416, May 74, p. 3, OFF USE)

C. Trade Development

1. On 6 December, Thailand repealed legislation that had prohibited direct trade with China since 1959, and at mid-month a Thai delegation departed for Peking to discuss resumption of direct trade. (ER RP 75-3, Jan 75, p. 8, C)

TOGO

B. Military Aid

1. In early December, North Korea offered to organize a 500-man presidential guard for Togo. (ER RP 75-3, Jan 75, p. 7, C)

TUNISIA

A. Economic Aid and Technical Assistance

1. Tunisia and China signed a protocol to their 1972 aid agreement calling for Chinese construction of a canal, a rolling stock assembly plant, and road improvement. (No. 421, Aug 74, p. 2, C)

~~SECRET~~

TURKEY

A. Economic Aid and Technical Assistance

1. Continuing problems in formulating new economic aid proposals has led to a second postponement of Soviet-Turkish negotiations originally scheduled for August. (ER RP 74-24, Nov 74, p. 6, C)

UGANDA

B. Military Aid

1. Czechoslovakia delivered armored personnel carriers, support equipment, and ammunition to Uganda, its first military shipments to the country in several years. Moscow reinstated its military program in Uganda last November. (No. 417, Apr 74, p. 8, S/NFD)

ZAMBIA

A. Economic Aid and Technical Assistance

1. Peking extended an additional \$125 million in interest-free development aid to Tanzania and Zambia during March. The \$75 million credit to Tanzania will be used for coal and iron ore development and construction of a railroad, while part of the \$50 million commitment to Zambia will finance road construction. (No. 417, Apr 74, p. 7, S)

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11, 12	[REDACTED] via CRS/ADD	"	25X1C
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507	DIA/DIB [REDACTED]	22 Aug 75	
	via CRS/ADD		
3, 5, 6, 28-65, 521-524	Destroyed	3 Oct 75	
507	[REDACTED] I/TM 25X1A	13 Feb 76	4 Nov 75
19	[REDACTED] JSP 25X1A	30 Jul 76	30 July 76
507	St/P/P	2 Aug 76	
21-25, 4, 26, 27	Destroyed	5 Feb 77	

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SECURITY REVIEW

SANITIZING INSTRUCTIONS

ITEM

DATE

INITIALS

REMOVE

UNEDITED DRAFT

EDITED DRAFT

25X1A

RELEASABLE TO

FOREIGN RECIPIENT

YES

NO

25X1C

SUBSTITUTE

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Report will be published as S/NFD
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